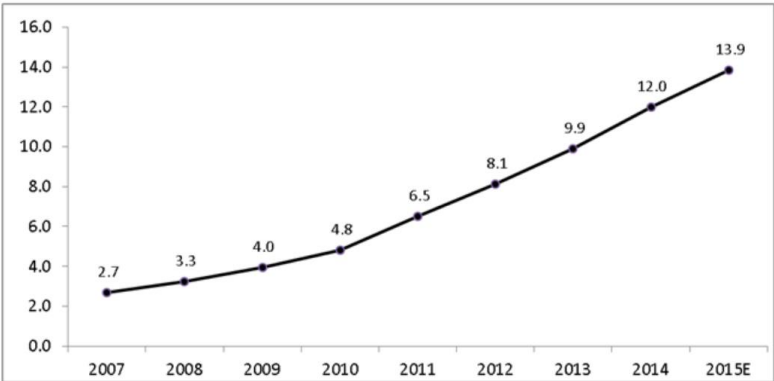


Frontier Is Subject To Ubiquitous BDS Competition

- Cable and CLECs continue to capture larger shares of the business data services market
 - Cable “best efforts” broadband – marketed as a “DS1 killer” – continues to eat away at traditional TDM offerings
 - Accelerating Cable BDS Revenue Growth (\$B):



Source: [USTelecom](#)

- Market continues to shift from TDM toward Ethernet

By the Numbers

42.2%

Percentage of total revenues spent by enterprise customers (\$18.9 billion) in 2013 on unregulated Ethernet and other packet-based services

-5.1%

LEC BDS revenue-loss from 2013 to 2015; competitors grew their revenues by 52.2% and captured a total of \$5.2 billion in new BDS revenues in the same period

0.5%

The speed of a price-regulated DS3 connection (a dedicated 45 Mbps special access connection) compared with the cable-DOCSIS 3.1 downstream connection of 10 Gbps.



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MID-YEAR
2016

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Level 3

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5

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6

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Cox

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